

BILL ANALYSIS

C.S.H.B. 3839
By: Hilderbran
Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Article 9 of the Texas Racing Act encourages limiting the running of races to accredited Texas-bred horses, each to be known as a Texas-bred race, in order to promote, develop, and improve the breeding of horses in Texas.

C.S.H.B. 3839 establishes the Texas Derby as an annual grade 1 stakes race for Texas bred thoroughbred and quarter horses. The bill requires a participating horse to be Texas-bred and makes the purse for the Texas Derby at least \$5 million dollars.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Racing Commission in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 3839 amends the Texas Racing Act to require the Texas Racing Commission to establish the Texas Derby as an annual grade 1 stakes race of Texas-bred thoroughbred and quarter horses in Texas. The bill requires the commission to set the date of and the location for the Texas Derby and requires the derby to be held annually at one of the class 1 racetracks in Texas on a rotating basis as determined by the commission. The bill includes a temporary provision, set to expire January 1, 2014, prohibiting the date of the initial Texas Derby from being earlier than January 1, 2013 and requiring the commission to establish the annual rotation for the location of the Texas Derby by conducting a blind drawing of names of each class 1 racetrack in Texas not later than January 1, 2013.

C.S.H.B. 3839 requires the commission to establish two annual races of Texas-bred thoroughbred and quarter horses to qualify horses for entry into the Texas Derby. The bill requires the commission to establish, for each qualifying race, the date on which each race will be conducted, provided the date is not the same for each race, and the class 1 racetrack where each qualifying race will be conducted, provided that each race is conducted at a different racetrack in a county with a population of at least two million or adjacent to a county with a population of at least two million. The bill includes a temporary provision, set to expire January 1, 2013, prohibiting the date of a qualifying race for the initial Texas Derby from being earlier than January 1, 2012. The bill provides that a horse is not eligible to run in a qualifying race or the Texas Derby unless the horse is a Texas-bred thoroughbred or quarter horse and is not more than three years of age. The bill provides that a horse that finishes first, second, or third in a race in a qualifying race qualifies to run in the Texas Derby.

C.S.H.B. 3839 requires the commission to appoint for each qualifying race for the Texas Derby a veterinarian to supervise the inspection and examination of each horse entered in the race to determine whether the horse is qualified to participate in the race. The bill requires the commission, in consultation with veterinarians, by rule to establish a list of documentation that must be presented to the appointed veterinarian for each race to demonstrate that the horse is

qualified to run in the race.

C.S.H.B. 3839 requires the commission to establish a Texas Derby purse fund. The bill requires the commission to annually contribute \$3 million to the Texas Derby purse fund from money allocated and available to the commission for any purpose, including money specifically dedicated to purse funds. The bill requires a horse racing association conducting a qualifying race for the Texas Derby to collect an entry fee from each owner of a horse in the race and remit to the commission a portion of the fees in the amount determined by the commission to ensure that the purse for the Texas Derby is at least \$5 million, including the amount contributed by the commission. The bill requires the commission to adopt rules for accounting, audit, and distribution of money from the Texas Derby purse fund to winners of the race. The bill prohibits the Texas Racing Commission from contributing to the Texas Derby purse fund before January 1, 2013.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3839 adds a provision not included in the original prohibiting the date of the initial Texas Derby from being earlier than January 1, 2013. The substitute differs from the original by requiring the commission to establish the annual rotation for the location of the Texas Derby not later than January 1, 2013, in a temporary provision set to expire January 1, 2014, whereas the original requires the commission to establish the annual rotation for the location of the Texas Derby not later than January 1, 2010, in a temporary provision set to expire January 1, 2011.

C.S.H.B. 3839 adds a temporary provision not included in the original, set to expire January 1, 2013, prohibiting the date of a qualifying race for the initial Texas Derby from being earlier than January 1, 2012. The substitute adds a provision not included in the original prohibiting the Texas Racing Commission from contributing to the Texas Derby purse fund before January 1, 2013.